

Exhibit 46 to Plaintiff's
Memorandum of Points and Authorities
in Support of Its Motion for Temporary
Restraining Order and Preliminary Injunction
(PX01304)

[PORTIONS REDACTED]

February 23, 2007

Board Report – John Mackey

Q1-2007 Results

I'm going to refer you to Glenda's report for an in-depth review of the quarter. There wasn't a lot to get excited about, although a [REDACTED] comp on top of [REDACTED] last year is nothing to apologize for when our peers are still doing at best [REDACTED]

Wild Oats Merger Agreement

Our team is very excited about the Wild Oats transaction, and it appears the market is also since our stock jumped six and a half points on the news! Admittedly, this was a surprise – rarely does the stock of the acquiring company go up after an announcement like this.

We will commence the tender offer for Wild Oats on February 27th and, subject to regulatory and other conditions, currently expect to close the transaction on April 9th at the earliest. In the meantime, Glenda and Lee, along with other members of our leadership team, will be visiting the corporate office in Boulder to answer questions and develop an integration plan. It is important to me that we are able to guarantee a job offer in the newly merged company to every associate who works in a Wild Oats or Capers store. For associates in the regional and corporate offices, we will be encouraging them to apply for positions with us as appropriate and will be offering "stay bonuses" to maintain stability between now and the time the merger is completed. Those who choose not to apply or who are not hired will receive a severance package (provided they stay until their position is eliminated).

We are continuing to target [REDACTED] in sales in [REDACTED] which to us has always been more an indication of the size of the market rather than a specific number we plan to hit. Remember we started at [REDACTED] when our sales were at [REDACTED] and we raised that target to [REDACTED] when our sales were around [REDACTED]. While we think we were able to get there without the merger given the acceleration in our store openings, we are definitely in a better position now and could reach that target sooner.

Competition

With Wild Oats being acquired they will drop out of my quarterly competition report.

Trader Joe's remains our #1 national competitive concern. TJ's has grown from 120 stores to 270 stores in the past 6 years. They continue to open stores as close to Whole Foods as possible. We are now matching all of their like products in price and we believe this is beginning to help our price image relative to them. However, it will likely take several years before the media comes to really believe we are truly competitive about price because the "Whole Paycheck" nickname is now fairly deeply rooted.

We are planning on trying [REDACTED]

[REDACTED] store centered around case stacks of low priced 365 product and self-service perishables. These stores would keep the name Wild Oats but would be [REDACTED] but slightly larger and with a larger selection of produce and other perishable foods (something TJ's isn't very good at). This is a low-cost and low-risk experiment that is well worth making due to the high potential upside that it has. We have already identified about [REDACTED] where we want to try this idea out in. [REDACTED]

[REDACTED] and [REDACTED] remain the 2 most powerful conventional supermarket chains we compete against. We have increased the competition recently in Washington D.C. area with the opening of our new Fair Lakes store that is going head to head with a very successful [REDACTED] store. I encourage the Board to see this store while in the D.C. area.

Safeway is continuing to roll out their "Lifestyle Stores". I don't believe these stores have had much real impact on us, although they've increased Safeway's comps a couple of hundred basis points (not that much when you consider the immense amount of capital invested). [REDACTED] remain far more formidable competitors.

[REDACTED] despite the hoopla in the media, hasn't had much impact in the organic market. I doubt they will because their core customers don't want to pay the higher prices and their non-core customers don't want to shop there for various reasons.

[REDACTED] remains a powerful alternative format competitor which nicks us for share wherever we compete with them. In all honesty there is no real way to effectively compete with [REDACTED] on price since their margins are so low and their product selection is so narrow (bought at the lowest possible price). At this time we are mostly conceding the share and focusing our competitive attention on [REDACTED] and the

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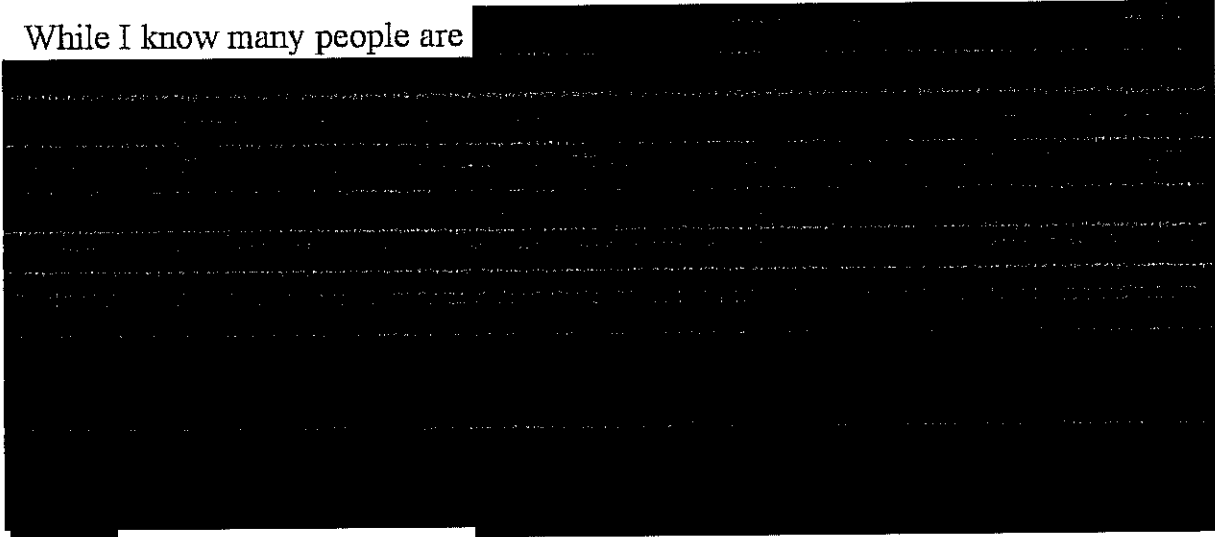
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more powerful conventional supermarkets and doing what we do best—give great customer service and a superior store experience.

Stock Thoughts

While I know many people are



Fortune 100 Best

In January, we were very pleased to learn that Fortune magazine ranked us number five on its “100 Best Companies to Work for” list, our highest ranking ever! We also made the “Hall of Fame” list again for being one of only 18 companies to make the list all 10 years since its inception, and we ranked second out of the 39 large companies on the list. This was a tremendous milestone for our company – made possible by our Team Members, whose survey responses accounted for two-thirds of the score. It was the third year in a row that we moved up on the list, so we are eyeing that number one spot but will have to surpass [REDACTED] first, which was two notches ahead of us in the number three spot. In all honesty, after reading about how Google treats their employees, I think it will be very difficult to surpass them on this list. Google is very rich and spends their money lavishly on perks Whole Foods could never afford.

New Store Update

We have some incredibly exciting new stores opening this year that will allow us to continue to redefine the marketplace, and we have already started executing on our goal to open [REDACTED] than we ever have in the history of our company. So far this fiscal year, we have opened seven new stores in Tigard, OR (Bridgeport); West Orange, NJ; Seattle, WA (Westlake); Dallas, TX (Forest, a relocation of Preston); Fairfax, VA (Fair Lakes); Portland, ME (a relocation of

Whole Grocer); and Chicago, IL (Sauganash). We are still on track to open at least

[REDACTED] The acceleration in openings will materialize, as we currently have [REDACTED] meaning we have access to these sites for construction purposes, up from just [REDACTED] at this time last year (note we are expecting this number to increase to [REDACTED] over the next few quarters). We are particularly excited about the upcoming openings of [REDACTED]

We signed [REDACTED]

[REDACTED] This was the 14th quarter in a row that we were able to announce [REDACTED]